

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7469

BILL NUMBER: HB 1384

NOTE PREPARED: Jan 12, 2013

BILL AMENDED:

SUBJECT: Marion County Courts.

FIRST AUTHOR: Rep. Speedy

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

STATE IMPACT	FY 2013	FY 2014	FY 2015
State Revenues			
State Expenditures		311,174	622,348
Net Increase (Decrease)		(311,174)	(622,348)

LOCAL IMPACT	CY 2013	CY 2014	CY 2015
Local Revenues	161,210	322,420	322,420
Local Expenditures			
Net Increase (Decrease)	161,210	322,420	322,420

Summary of Legislation: *Magistrates:* The bill allows the judges of the Marion Superior Court to appoint 12 full-time magistrates after December 31, 2013.

Infraction Fee: It provides that, if an action brought in Marion County for a traffic violation infraction is deferred under a deferral program, the defendant shall pay a fee of \$35 in addition to any other fee the defendant is required to pay under the deferral program. The bill also requires that these fees must be transferred to the Marion County dedicated fund that is used to pay for compensation of commissioners and

the costs of the county's guardian ad litem program.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Magistrates:* Four new magistrates for Marion County Superior Courts are estimated to cost \$622,348 annually beginning in January 1, 2014.

Background Information- The salaries of circuit and superior court judges and magistrates can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges and magistrates during FY 2013. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges and Magistrates (FY 2013)		
<u>Benefits</u>	<u>Judges</u>	<u>Magistrates</u>
Salary	\$130,080	\$104,064
Life Insurance	\$169	\$135
Indiana Judicial Conference	\$1,000	\$1,000
Social Security	\$9,951	\$7,961
Disability Insurance	\$2,276	\$1,821
Retirement (see note)	\$36,751	\$29,401
Health, Dental, and Vision (blended rate)	\$11,205	\$11,205
Total Cost Per Judicial Officer	<u>\$191,432</u>	<u>\$155,587</u>

Note About Retirement Expenditures – LSA uses the normal cost of each active member less the member's contribution (6% of payroll) to calculate the annual pension costs of judges and magistrates. Normal cost is defined as the present value of benefits accruing for a particular plan year. From 2006 to 2012, normal costs for the plan increased by more than 96%. This is due, in part, to increases in retirement and disability benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: *Magistrates:* Marion County may need to add office space or clerical

staff to assist this new magistrate.

Explanation of Local Revenues: *Infraction Fee:* The bill would add a \$35 fee for a defendant entering a deferral program in an action brought for a traffic violation constituting an infraction. The revenue from the fee will be deposited in a county dedicated fund.

In 2012, there were 9,212 traffic violations constituting an infraction for which the defendant entered a deferral program. Based on this number of offenders, revenues of \$322,420 would have been deposited in the county dedicated fund.

State Agencies Affected: Office of State Court Administration, Indiana Supreme Court, Indiana Judicial Center.

Local Agencies Affected: Marion County Superior Court and Marion County.

Information Sources: Office of State Court Administration, Indiana Supreme Court; Judicial Technology and Automation Commission.

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